

Cong. John E. Fogarty
Opening of Mercy Hospital
North Smithfield, R.I.
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Medicare: Quiet Beginning of a New Era

Just nine months ago I had the pleasure to be here for the laying of the cornerstone of this beautiful new hospital building.

On that occasion we recalled Mercy Hospital's fine record of past accomplishments. We spoke of the prospects for an even greater future.

Today, I am proud to be with you again to share in the opening of Mercy Hospital--an opening which serves to transform mere brick and glass into a living institution dedicated to providing the very best in medical service to this community.

Those of you who have been with the Mercy Hospital project from the start must feel the greatest satisfaction today. For you have learned that the path of service to one's fellows is beset by many frustrations and by forbidding obstacles. I am well aware that the problems Mercy Hospital faced were enough to cloud the optimism of even its staunchest supporters.

Yet you have remained constant in achieving your goal and today this new hospital attests to the vigour and rightness of your campaign.

The opening of Mercy Hospital comes significantly at a time when hospitals across the Nation are admitting their first patients under Medicare. Mercy Hospital will have its share of these patients in due time, but with its 50 beds reserved for long-term cases it has anticipated the need and hopes to cope with increased demands.

When I spoke here last October I discussed the Medicare program briefly and spoke about the challenges the program posed to hospitals. These challenges--to provide new and expanded facilities, to reduce costs, and to provide adequate trained hospital staffs--are not the hopeless situations that the long-entrenched critics of Medicare still wring their hands over.

Let us never forget that Medicare did not create these challenges in the first place. The program has only served to point more clearly to situations which have been developing for many years. These challenges can be met--not by passive complaining--but by positive action. They can be met with the aid of Federal assistance programs which act in partnership with local initiative and local support. Responding to meet these needs--now--can work only for the good of hospitals, physicians, and patients alike.

One concern of Medicare's critics has already been proven unfounded in fact. Alarmists had predicted that the hour the program took effect, hospitals would be deluged with hundreds of elderly persons demanding admittance. It was heartening to see that this did not come to pass. On July 1, the Medicare program was launched with ease and without great events. Calm rather than chaos prevailed.

It is a remarkable fact that approximately ninety-four percent of the Nation's nearly 7,000 hospitals were eligible to participate in the program from the first day. These hospitals contain more than ninety-six percent of all the hospital beds suitable for Medicare patients.

These hospitals reported generally that there was little or no increase during the first days of Medicare over the average daily admissions in pre-Medicare days. Of course, some of the initial slowness can be attributed to both the holiday weekend and the slower rate of hospital admissions throughout the summer. Certainly the rate will pick up. But it is unlikely that an overwhelming mob will descend on the hospitals in the Fall.

Many of the first Medicare patients are, of course, those who were already in hospitals before July 1. On that date an estimated 160,000 patients in the United States and territorial hospitals were placed on the Medicare rolls.

Much of the credit for the smooth operation of the Medicare program thus far must go to Robert M. Ball, Commissioner of Social Security and to Dr. William H. Stewart, Surgeon General of the U.S. Public Health Service.

To these two dedicated men--whose strong faith in the Medicare program led them to succeed in ironing out many formidable problems in advance--we all owe a great debt of thanks.

I have been gratified at the way in which planning for the program developed in the relatively few interim months between the passage of the Medicare act and the July 1 effective date. It is one thing for Congress and the President to pass such a sweeping and complex program and quite another to work out the thousands of details required for its actual operation.

One of the chief problems faced by Mr. Ball and Dr. Stewart and their staffs was to secure compliance of hospitals to the civil rights provisions of the law which forbid racial discrimination in participating institutions.

Here again, the critics had voiced gloomy predictions. They predicted over a thousand hospitals would not be eligible because of discriminatory policies. The non-participation of these institutions, the critics warned, would serve to further augment the shortage of facilities and personnel.

Yet, through the diligent efforts of a special compliance task force, thousands of hospital beds were desegregated voluntarily and with little difficulty. Only in Mississippi and Louisiana are a substantial number of general hospitals still ineligible for Medicare on civil rights grounds. Even these, the Medicare administrators believe, will eventually come into compliance and participate in the program.

I of course strongly commend those hospitals which have desegregated to comply with the requirements of Medicare. As a long-time supporter of civil rights legislation, I firmly believe in the necessity for such action not only in connection with Medicare but in every program involving Federal funds.

Another great effort was put forth in the drive to get persons over 65 to sign up for the voluntary health insurance program under medicare. I am happy to say that more than 17 million of the 19 million elderly eligible have signed up for the additional benefits.

At the same time, top administrators held a long series of meetings with representatives of the American Medical Association, American Hospital Association, and other professional organizations to develop the detailed regulations and guidelines which would build around general concepts and theories a practical system of bookkeeping procedures, quality standards, allowable and non-allowable expenses, and other measures needed for the effective administration of an insurance plan of Medicare's magnitude.

I am greatly pleased that all is going so well at the start. As many of you know, I long supported the concept of a Federal system of hospital and medical insurance for the aged and worked for many years with my colleagues in Congress to develop the type of plan which was finally made law last year.

Yet, we in Congress do not intend to ignore the other needs associated with Medicare and with the overall provision of health services in our Nation today.

Medicare was not created in a vacuum. It was passed as only a part of the Federal government's total commitment to the support of health research and training, construction of health facilities, and the improvement of the delivery of health services by the Nation's health professions and institutions. The actions of this and previous Congresses demonstrates our National concern

with the improvement of the Nation's health from every aspect. We are fully aware of the folly of supporting research while neglecting training or of providing health insurance while neglecting the construction of medical facilities.

I can assure you that we intend that all of these needs shall be met. As far as my own personal involvement is concerned, I have given my full support to the measures that I have mentioned. I intend further to introduce legislation which will increase the cash benefits available under Medicare and provide for other improvements in the Social Security Act.

I anticipate that much of the new legislation will meet some of the same stiff-necked opposition which Medicare faced for a decade and still is facing. Yet, in the end these measures will be passed, just as Medicare was passed. They will be put into effect just as Mercy Hospital is now to be put in operation despite hard-headedness and reactionary opposition.

We will meet our needs only by bold and straightforward action. Medicare has gone smoothly thus far because of such boldness. The way to the future is clearly indicated by its success.